

LNF & IHCIF Calculations Illustration

- Citizen Potawatomi in Oklahoma area -

Given Data

- 11,456 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 19% = % Expenditures on purchased services, 81% = % expenditures in-house
- 94.4% = Cost index for purchasing health care in this geographic area
- 100.7% = Size cost index for in-house costs due to small or large size
- 96.9% = Oklahoma area cost index for health status above or below average

Cost Adjustment Calculations

- \$531 per person for purchased services = $19\% * 94.4\% * \$2,980$
- \$2,435 per person for in-house services = $81\% * 100.7\% * \$2,980$
- \$2,966 per person total = \$531 (purchase) + \$2,435 (in-house)
- **\$2,875 per person total** adjusted for health status = $\$2,966 * 96.9\%$
- **\$2,130 per person net cost** = $\$2,875 - \745 Other resources (M&M&PI)

Existing Expenditures (for 11,456 users excluding wrap-around and collections)

- \$559 per person = local IHS allowance (excludes \$ for wrap-around)
- \$77 per person = expenditures elsewhere in Oklahoma area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$690 per person for OU users** = $\$559 + \$77 + \$54$

LNF Calculation

- **24.0% Gross LNF** = $\$690$ (expenditures) / $\$2,875$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **32.4% Net LNF** = $\$690 / \$2,130$ net cost ($\$2,875 - \745 other)

IHCIF Allocation

- \$6,735,937 = \$ to raise LNF% from 32.4% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$234,949 Allocation** = $\$6,735,937$ needed for 60% * 3.488% IHCIF fraction

Citizen Potawatomi Unmet Needs

- **\$24,402,153 Net Total Need** = 11,456 users * \$2,130 net cost
- **\$16,496,798 Net Unmet Need** = $(100\% - 32.4\% \text{ LNF}) * 11,456 \text{ users} * \$2,130 \text{ net cost}$